

## PRESS RELEASE

### **ESMA gathers worldwide supervisors to discuss enforcement of IFRS**

Accounting enforcers from around 30 countries met on 1 and 2 December 2011 in Paris, following an invitation by ESMA to discuss International Financial Reporting Standards (IFRS), enforcement systems and enforcement decisions. In addition to representatives from national enforcers, representatives of the International Accounting Standards Board (IASB), International Auditing and Assurance Standards Board (IAASB), the European Commission and the International Organization of Securities Commissions (IOSCO) participated in the meeting.

Effective enforcement of IFRS is an important factor contributing to investors' understanding of the possible impact of the financial crisis on the financial position and performance of listed companies. ESMA aims to facilitate communication among enforcers around the world, thus contributing to the consistent application of IFRS.

ESMA's decision to organise this seminar reflects ESMA's strong commitment to strengthen the dialogue with third-country IFRS enforcers with a view to enhance cooperation and the consistent application of IFRS around the globe.

**Steven Maijor, ESMA chair**, concluded the morning panel by stating:

*"IFRSs are global standards of which the ultimate success depends on their worldwide consistent application. Our experience in Europe has shown that this can only be achieved by bringing national enforcers together. There is a clear need to extend that cooperation on a global level and ESMA is actively contributing to this."*

When IFRSs were introduced in the European Union, ESMA's predecessor body, the Committee of European Securities Regulators (CESR), established a forum where IFRS enforcers of the European Economic Area (EEA) meet on a regular basis. With the transition from CESR to ESMA, the tools to achieve consistent enforcement within the EEA have improved substantially. The meetings between ESMA and European enforcers are conducted on a confidential basis, but ESMA has received many requests from non-EEA countries since its inception, to share its experience with its global counterparts. As such, in order to respond to such requests from non-EEA countries that have, or are in the process of, converging or adopting IFRS, ESMA organised its second seminar which focused on the challenges supervisors face in enforcing IFRS worldwide and how to enhance the co-operation between enforcers.



## Notes for editors

1. ESMA is an independent EU Authority that was established on 1 January 2011 according to EU Regulation No. 1095/2010 as published on December 15, 2010, in the Official Journal of the European Union (L 331/84). The Authority contributes to safeguarding the stability of the European Union's financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets, as well as enhancing investor protection. In particular, ESMA fosters supervisory convergence both amongst securities regulators, and across financial sectors by working closely with the other European Supervisory Authorities competent in the field of banking (EBA), and insurance and occupational pensions (EIOPA).
2. ESMA's work on securities legislation contributes to the development of a single rule book in Europe. This serves two purposes; firstly, it ensures the consistent treatment of investors across the Union, enabling an adequate level of protection of investors through effective regulation and supervision. Secondly, it promotes equal conditions of competition for financial service providers, as well as ensuring the effectiveness and cost efficiency of supervision for supervised companies. As part of its role in standard setting and reducing the scope of regulatory arbitrage, ESMA strengthens international supervisory co-operation. Where requested in European law, ESMA undertakes the supervision of certain entities with pan European reach.
3. ESMA also contributes to the financial stability of the European Union, in the short, medium and long-term, through its contribution to the work of the European Systemic Risk Board, which identifies potential risks to the financial system and provides advice to diminish possible threats to the financial stability of the Union. ESMA is also responsible for coordinating actions of securities supervisors or adopting emergency measures when a crisis situation arises.

Further Information:

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